

San Luis Obispo County  
Auditor-Controller

# **Fraud Hotline Procedures Manual**

Fraud Hotline Number

(800) XXX-XXXX  
(805) 781-XXXX

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## **Preface**

The purpose of the manual is to outline the Auditor-Controller's policies and procedures for handling fraud hotline calls and complaints and to help provide a consistent approach for all parties involved in the management and conduct of Fraud Hotline or citizen complaint investigations.

The manual is also designed to assist in maintaining and improving the quality and accountability of the hotline services provided by the County of San Luis Obispo. This manual will assist Department Heads, Agencies, and anyone involved in the Fraud Hotline or citizen complaint investigations to ensure they understand their responsibilities.

## **I. Overview of the Fraud Hotline and Complaint Program**

### **INTRODUCTION**

#### **History**

The Office of the Auditor-Controller (A-C) is establishing a Fraud Hotline as an avenue for employees and citizens to report fraud, waste, and abuse occurring at the County of San Luis Obispo. Employees are encouraged to resolve concerns, through their normal administrative channels whenever possible. However, the Fraud Hotline provides an alternative reporting mechanism to ensure that concerns about possible wrongdoing in San Luis Obispo County government are properly addressed.

#### **Objective**

The primary objective of the Fraud Hotline is to provide a means for County of San Luis Obispo employees and citizens to confidentially report (1) any activity or conduct in which instances of fraud, waste, or abuse of County resources are suspected and (2) violations of certain federal or state laws and regulations (e.g., laws prohibiting discrimination or whistleblower laws) as related to the County of San Luis Obispo.

The Fraud Hotline is not meant to report wrongdoing outside the control of San Luis Obispo County Government. Complaints of this nature may be turned over to an appropriate law enforcement agency when received.

#### **Structure**

A live operator is available to receive Fraud Hotline calls from San Luis Obispo County employees and citizens 24 hours a day, 7 days a week and 365 days a year. Calls are handled by an independent third-party answering service specifically trained in obtaining the information required to document an allegation. The caller can choose to remain anonymous or to give his or her name.

Employees and citizens may contact the Fraud Hotline directly at 800-XXX-XXXX or via the website at [Http://www.XXXXX](http://www.XXXXX). All communications are treated confidentially; Neither telephone numbers nor internet contacts are traced.

#### **Reporting**

On a quarterly basis, Auditor-Controller staff shall prepare a summary report of Fraud Hotline activity. Each Quarterly Report shall be promptly posted on the website of the A-C. The form and content of the Quarterly Report shall be at the discretion of the A-C, but shall generally include the following: (i) the number of calls made to the Fraud Hotline; (ii) the general type of

complaints received; (iii) the fraud, waste, and abuse complaints investigated by the A-C; (iv) the summary reports of the A-C investigations that are substantiated and, if appropriate, the corrective actions taken; and (v) a brief summary of the general nature of other investigations undertaken by the A-C, if applicable. The information provided in the Quarterly Reports shall be subject to the confidentiality requirements of this Manual including the provisions set forth in Section VI.”

## Terms & Definitions

Term	Definition	Examples
<b>Fraud</b>	Any intentional act or omission designed to deceive others that results in the victim (County of San Luis Obispo) suffering a loss of money, property or other disadvantage to the County's resources or rights and/or the perpetrator achieves a gain of money, property or an advantage to which the employee would not normally be entitled.	<ul style="list-style-type: none"> <li>• Falsifying financial records to conceal the theft of money or County property.</li> <li>• Theft or misuse of County of San Luis Obispo money, equipment, supplies and/or other materials.</li> <li>• Intentionally misrepresenting the costs of goods and services provided.</li> <li>• Soliciting or accepting a bribe or kickback.</li> <li>• Falsifying payroll information</li> </ul>
<b>Waste</b>	The intentional or unintentional thoughtless, reckless or careless expenditure, consumption, mismanagement, use, or squandering of County resources. Waste also includes incurring unnecessary costs because of inefficient or ineffective practices, systems, or controls.	<ul style="list-style-type: none"> <li>• Unnecessary spending of County funds to purchase supplies or equipment.</li> <li>• Failure to reuse or recycle major resources or reduce waste generation.</li> </ul>
<b>Abuse</b>	Intentional destruction, diversion, manipulation, misapplication, maltreatment, or misuse of County resources. Extravagant or excessive use as to abuse one's position or authority. Abuse can occur when someone benefits in a financial manner and also when someone does not benefit financially.	<ul style="list-style-type: none"> <li>• Failure to report damage to County equipment or property.</li> <li>• Receiving favor for awarding contracts to certain vendors.</li> <li>• Using one's position in one County department to gain an advantage over another County resident when conducting personal business in another County department.</li> <li>• Creating unneeded overtime.</li> <li>• Requesting staff to perform personal errands or work tasks by a supervisor or manager.</li> </ul>

<p><b>Abuse (Continued)</b></p>	<p>Intentional destruction, diversion, manipulation, misapplication, maltreatment, or misuse of County resources. Extravagant or excessive use as to abuse one's position or authority. Abuse can occur in financial or non-financial settings.</p>	<ul style="list-style-type: none"> <li>• Misusing the official's position for personal gain. <sup>1</sup></li> <li>• Travel choices that are contrary to existing travel policies or are unnecessarily extravagant or expensive.</li> <li>• Making procurement or vendor selections that are contrary to existing policies or are unnecessarily extravagant or expensive.</li> </ul>
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<sup>1</sup> Includes actions or omissions that could be perceived by an objective third party with knowledge of the relevant information as improperly benefiting an official's personal financial interests or those of an immediate or close family member; a general partner; an organization for which the official serves as an officer, director, trustee, or employee; or an organization with which the official is negotiating concerning future employment.

## Incident Report

The Fraud Hotline third-party provider supplies a case management system with which Auditor-Controller internal audit staff monitors, assigns, and/or refer complaints. A record is maintained of all complaints and is periodically updated with the status of the investigation, if any (See Section IV – Dissemination and Escalation for further details).

## Response

A response from the designated division or department head is requested within ten business days from referral of the complaint. The response must address the following:

- A description of an *immediate* plan to investigate and/or address the complaint/concern;
- A description of a plan to *prevent* the issue/concern from happening again, if warranted; and
- A description of the resolution of the issue/concern.

## **II. Processing of Fraud Hotline Complaints**

1. The Fraud Hotline receives all hotline calls through a designated toll free number (800-XXX-XXXX) or via the internet at www.. Information from such calls is recorded in the third-party provider's case management system.
  - In order to process a complaint/concern, the following information is required to begin and continue processing a complaint/concern:
    - The alleged misconduct involved a County of San Luis Obispo employee, a contractor or a vendor doing business with the County of San Luis Obispo.
    - Name of the individuals involved.
    - Specific information regarding the alleged misconduct.
    - Circumstances surrounding how the alleged misconduct occurred.
    - Where the alleged misconduct occurred.
    - When the alleged misconduct occurred.
2. Any complaints regarding the Auditor-Controller or internal audit staff will be referred by the third-party provider directly to the County Administrative Office.
3. Auditor-Controller staff monitor all other complaints daily.
  - Complaints that indicate illegal acts will be reported to the Sheriff's Department, District Attorney, or other authorities as appropriate. Such complaints may also require investigation by internal audit staff.
  - Personnel related complaints will be turned over to our Human Resources department.
  - Any allegations against the Auditor-Controller's (A-C) office are to be reported immediately to the Auditor-Controller. In the event the allegations are made involving a person at a high level of management in the office, internal audit staff is authorized to investigate without notifying the person named in the allegation.
4. All documents obtained in the course of an investigation will be maintained in a secure area in the A-C office.

### **Fraud Related Complaints:**

5. Auditor-Controller internal audit staff will perform an investigation generally following the procedures recommended by the Association of Certified Fraud Examiners for any allegations of improper financial activity and fraud, waste and/or abuse that appear to be material in nature. The scope of the investigation will be to determine if the accusations made are valid and to determine if there is any potential internal control weaknesses that need to be corrected that allowed fraud, waste and/or abuse to occur.
6. For each fraud related allegation that is determined to be significant, preliminary evidence will be gathered such as reviewing the information provided via the hotline, reviewing other pertinent records and interviewing appropriate witnesses to assess if the allegation appears to be valid. The A-C will notify and consult with the Sheriff's



Department and/or the District Attorney for any circumstances that appear to involve criminal activity. Investigative procedures will continue for each significant allegation until in internal audit staff's discretion based on the facts and circumstances at the time a reasonable case can be made for a referral to an appropriate agency for prosecution or it is determined that there is insufficient evidence of fraud. Investigative procedures will generally include but are not limited to:

- Documenting the allegation in writing;
  - Interviewing potential witnesses and documenting the information gathered;
  - Identifying all possible facts or circumstances or indicators of fraud related to the allegation;
  - Notifying and consulting with the Sheriff Department and/or the District Attorney as appropriate;
  - Developing an investigative plan and determining the type of evidence to pursue; and
  - Gathering evidence and performing analysis as appropriate, such as:
    - Reviewing accounting records, payroll records, bank records, canceled checks, credit card records, etc.
    - Downloading and analyzing electronic data
    - Reviewing emails and written correspondences
    - Imaging computer hard drives and reviewing the files and activities
7. For any material internal control weaknesses that are identified and substantiated or appear to be substantiated during the investigation of hotline complaints, an audit may be performed. The audit will be performed in compliance with the International Standards for the Professional Practice of Internal Auditing and/or in compliance with Generally Accepted Government Auditing Standards to determine the extent of the internal control weaknesses identified and to issue an audit report with appropriate recommendations to correct the deficiencies found. All internal control weaknesses that are substantiated during the investigation of hotline complaints that are not material in nature, and do not warrant an audit, will be addressed in a hotline report to management. The hotline report will include recommendations to management to correct these internal control weaknesses identified.

#### **Non-Fraud Related Complaints:**

8. Any non-fraud, waste, or abuse related complaints made to the Fraud Hotline will be reviewed by internal audit staff. The personnel will review the complaint and determine whether it meets the criteria for further investigation. If the complaint meets the criteria (See Section VIII), internal audit staff shall determine the appropriate County department for referral for investigation and resolution.
- In most cases, it is anticipated that non-fraud related complaints will be referred to Departments for further review and investigation. The A-C or designee will send the affected Department Head a memorandum notifying him or her of the filing of

the complaint, requesting a response and advising of the process for resolving the complaint, if necessary.

9. As follow-up, the A-C or his/her designee may determine that internal audit staff need to obtain clarification or additional information from the complainant regarding the complaint/allegation. Staff will enter the information needed in the case management system in case the complainant is willing to respond.
10. Internal audit staff prepare and forward a memorandum to the appropriate Department head, along with the complaint details within two business days of receiving the complaint. The memorandum advises of the filing of the complaint, requests an initial response within 10 business days of how the Department Head intends to proceed, and advises of the process to secure additional information concerning the complaint, if necessary. Extensions may be granted on a case-by-case basis. A copy of the memorandum may also be sent to the County Administrative Officer and/or Personnel Director as determined appropriate by internal audit staff. The memorandum also advises the Department Head that the complaint is required to be fully investigated and that completed written reports reflecting the results or conclusions of the investigation by the Department shall be timely.
11. If the subject of the complaint is a supervisor/manager at any level, the complaint will be forwarded to and should be resolved by the next level of supervisor/manager. The subject of the complaint is precluded from having any involvement in the response.
12. Complaints alleging criminal activity (e.g. theft) will be forwarded to the San Luis Obispo County Sheriff or other appropriate law enforcement agency for investigation as soon as possible after receipt of the complaint.
13. If a non-fraud related complaint involves a Department Head, it is forwarded to the Chief Administrator Officer or his designee for investigation and review.
14. Department Heads and any other personnel involved in the investigation of a non-fraud related complaint shall not share the substance of a complaint with anyone except those individuals who are directly involved in and are essential to conducting the investigation. Any personnel provided with this information are required to hold and maintain all information obtained as confidential.
15. If it is deemed necessary by Department/Division head for investigative purposes, to disclose the nature of the allegation(s) to the target, such a disclosure may be made by providing only a summary of the allegation(s). However, care should be taken to provide no information that would compromise the complainant's or any witness' identity or otherwise violate applicable confidentiality restrictions.
16. Any breaches of confidentiality may result in disciplinary or criminal action.

17. The A-C or his/her designee in conjunction with the internal audit staff will review the response submitted by the Division or Department Head to determine if the allegation(s) raised in the complaint have been adequately addressed in the response. Upon such a determination, a memo from the A-C or designee to the Division or Department Head will thereafter be provided, indicating closure of the matter.
18. However, if the response is reasonably determined to inadequately address the allegation(s) raised in the complaint, the Department Head, County Counsel or Human Services as appropriate and the County Administrative Officer will be notified. The Department Head will be provided an opportunity to provide further clarification of the response and/or to acquire additional information or to perform other actions deemed necessary.

### **III. Processing of All Other Employee Complaints**

1. The internal audit staff receives complaints by means other than through the Fraud Hotline (e.g. e-mail, telephone, letter, etc.). Complainants may remain anonymous.
2. If the complaint is provided orally either in person or by telephone, internal audit staff logs, in writing, the factual allegation(s) of the complaint and attempts to obtain adequate information to facilitate an effective review.
3. Staff log the complaint and place a time/date stamp on all such complaints received.
4. Once logged, the complaint is processed according to procedures as set forth in Section II.

## IV. Dissemination and Escalation

### Dissemination

Upon completion of the complaint call, the third-party provider logs the complaint. Internal audit staff monitors complaints daily.

### Escalation

When a report is received that is designated for escalation such as reports of a high risk/threat situation requiring immediate notice, the internal audit staff shall call the appropriate designated agency representative immediately. The County has designated the A-C for financial emergencies and the Personnel Director for personnel related and workplace violence matters. The notified representative will respond as detailed in Section II.

If one of the following Incident Types is received, and if it is determined the incident is likely to happen again within 24 hours, then escalation is automatically triggered.

Escalation Representative	Department	Type of Complaint
<b>Jim Erb</b>  <b>Jim Hamilton</b> (If unavailable, contact <b>Kerry Bailey</b> )	Auditor-Controller	Kickbacks
	Deputy Auditor-Controller	Falsification of Organization Records Fraud Fraudulent Insurance Claims Release of Proprietary Information Theft of Goods/Services Theft of Cash
<b>Tami Douglas-Schatz</b>	Human Resources	Workplace Violence/Threats Substance Abuse Retaliation of Whistleblowers

## **Process**

Internal audit staff shall immediately contact (and leave a message if other party not reached) the appropriate designated escalation representative if the complaint meets both of the following criteria:

- 1. Threat of or actual harm to employees, customers, or operations**
- 2. Any significant incident projected to occur within 24 hours**

All such reports are checked by Auditor-Controller management prior to contacting the designated escalation representative.

If the A-C believes that any communication, received by his/her office, constitutes a threat to any individual, organization, or to the public, he/she shall immediately notify by telephone and e-mail the appropriate escalation representative and any other individual(s) as is deemed appropriate.

## **V. Processing of Citizen Complaints**

1. The Hotline and/or Auditor-Controller may receive complaints of waste, fraud and abuse from citizens through a variety of means, including e-mail, telephone, letter, and over the internet.
2. If the complaint is provided orally either in person or by telephone, the internal audit staff shall record the factual allegation(s) about the complaint and attempt to obtain adequate information to facilitate an effective review.
3. Internal audit staff logs the complaint and place a time/date stamp on all complaints received.
4. Internal audit staff log the complaint as soon as possible, at which time a case number is assigned to facilitate a follow-up process. As follow-up, the staff may need to clarify or obtain additional information regarding the complaint/allegation(s).
5. Once assigned a case number, the complaint is processed according to procedures as set forth in Section II.

## **VI. Security for Complaints and Associated Reports, Working Papers, and Other Documents**

### **Policy**

- All complaints, associated reports, working papers, and other documents detailing employee and citizen complaints, shall remain confidential at all times.
- For all complaints pertaining to employee relations, discrimination, harassment, and personnel related complaints, the complaints, , associated reports, working papers, and other documents shall **ONLY** be discussed with the A-C and other relevant individuals as determined by the internal audit staff. No copies are to be made of any complaints, associated reports,e-mails, working papers, and/or other documents, except for discussion with the A-C or internal audit staff or when non-fraud related issues are forwarded to a Department Head for investigation and resolution. At the conclusion of each meeting with the A-C and relevant staff all copies made for that purpose shall be destroyed, and the original complaints, associated reports, working papers, and other documents shall be maintained in a secured manner by internal audit staff.
- Incident Reports and associated case numbers shall **ONLY** be provided to individuals who are responsible and essential for conducting the investigation or reviewing the complaint. These individuals are required to hold such information in strict confidence.
- The confidentiality of all complaints, associated reports, working papers, and other documents shall be maintained at all times by the internal audit staff and investigating/reviewing departments, who shall take such measures as they determine are reasonable and necessary to maintain the confidentiality of such information and documents.
- Only the A-C or his/her designee, in conjunction with County Counsel is authorized to determine the distribution or release of any complaints associated reports, working papers, other documents and correspondence associated hereto, in accordance with California Records Request Act and applicable law.

### **Confidentiality**

1. CA Government Code Section 53087.6: The confidentiality of Hotline complaints is protected and subject to the requirements of a California law and is codified in California Government Code section 53087.6 The pertinent provisions are summarized in this section:
  - a. Referral: The Auditor-Controller may refer hotline complaints to the appropriate government authority for review and possible investigation. (GC 53087.6(2)(b))
  - b. Initial Review: During the initial review of a hotline complaint, staff shall treat as confidential all information disclosed or through the hotline, including the identity of the complainant disclosing the information and the parties identified by the complainant (GC 53087.6(2)(c)).
  - c. Investigative Audits: The identity of the person providing information that initiated the investigative audit shall not be disclosed without the written permission of that



person, unless the disclosure is to a law enforcement agency that is conducting a criminal investigation. If the specific information is in regard to improper governmental activity that occurred under the jurisdiction of another city, county, or city and county, the information shall be forwarded to the appropriate auditor or controller for that city, county, or city and county (GC 53087.6(2)(e))(1).

- d. Public Disclosures of Investigations: Investigative audits regarding hotline complaints shall be kept confidential except:
  - i. To issue any report of investigation that has been substantiated
  - ii. To release any findings resulting from a completed investigation that are deemed necessary to serve the interests of the public

In any event, the identity of the individual or individuals reporting the improper government activity, and the subject employee or employees shall be kept confidential (GC 53087.6(2)(e)(2)); except the Auditor-Controller may provide a copy of a substantiated audit report that includes the identities of the subject employee or employees and other pertinent information concerning the investigation to the appropriate appointing authority for disciplinary purposes. The substantiated audit report, any subsequent investigatory materials or information, and the disposition of any resulting disciplinary proceedings are subject to the confidentiality provisions of applicable local, state, and federal statutes, rules, and regulations (GC 53087.6(3)).

2. Procedures: Auditor-Controller staff will implement procedures to protect the confidentiality of documents and other information provided in connection with a Hotline complaint. Such procedures include prominently marking the work "CONFIDENTIAL" across the top of all documents, reports, notes, e-mails, electronic and other media or other related documents or evidence provided in connection with the complaint.

Disclosure: After consultation with County Counsel, the Fraud Hotline may disclose very brief findings or summaries of the general nature of investigations which were not substantiated. The public disclosure of such summaries may be categorized (i.e. fraud-related or non-fraud related) and should only include a brief description of the complaint (i.e. unfair hiring decision, customer relations).

The files of any hotline investigation may not be publicly disclosed. This prohibition includes interview notes, working papers, e-mails, faxes, interim reports, recordings and other electronic media. In addition, the identity of the complainant, the person against whom the complaint is brought and the parties involved shall be kept confidential.

3. Referrals of Hotline Complaints to Other County Departments. In the event the Hotline complaints are referred to other County departments for review or investigation as set forth in this Manual, these other County departments will treat as confidential all information and documents provided in connection with the complaint. The County department will conduct an investigation to the extent warranted by the specific facts and circumstances. Upon any referral of any fraud related complaints to other County departments, the departments shall provide copies of any reports issued in connection with completed and substantiated

investigations to the A-C. The A-C will report such matter to the Audit Committee as appropriate and in accordance with Government Code 53087.6.

### **Custodian of Complaint Documents**

Consistent with the County's applicable document retention policies, confidential information shall be maintained in a secure and centralized location. If a complaint is referred outside the Fraud Hotline, the received party is charged with and shall maintain this confidential information in a secure location. Only persons with a work-related "need to know" shall be allowed access to information concerning a Hotline complaint. Once the Hotline investigation is concluded and an outcome is reached, the complaint and related documentation shall be retained and disposed of in accordance with applicable federal, state, and local statutes, rules, and regulations.

## **VII. Requests for Information Regarding All Complaints**

1. All requests for information concerning any employee or citizen complaint shall be directed to the A-C for a response. The A-C shall respond to such requests as permissible and in accordance with applicable state law and County policy, rules and regulations.
2. Departments shall refer to the A-C any Public Records Act or other requests for information or documents regarding complaints received through the A-C or the Fraud Hotline.

## VIII. Referral of Employee Complaints

### Policy

County employees, who have complaints or concerns regarding waste, fraud and abuse, individual or organizational processes, are encouraged to report such complaints or concerns to the Fraud Hotline. All such complaints pertaining to employee relations, discrimination, harassment, and personnel related complaints shall be reviewed by the Fraud Hotline for a determination of whether the allegation(s) are credible and appropriate for department referral through the A-C.

### Methodology of Referral of Complaints

As complaints are received, internal audit staff review and evaluate the seriousness of the allegation(s) to determine if immediate action is required, which could include an investigation by the internal audit division. Otherwise, staff shall decide upon the referral of each report or any other appropriate action. A non-fraud related complaint may be referred to:

- Department Head
- Human Resources
- Other referral as deemed appropriate

Internal audit staff shall prepare a transmittal memo (in the general form of examples in Section IX which may be changed at any time and from time to time) and attach a copy of the complaint. The internal audit staff shall maintain in the case management system summary information from each complaint, assignment date, assigned to, meeting notes, memo sent date, forms sent date, received department response, and date complaint matter is closed. This information is confidential and shall be securely maintained.

### Criteria

A hotline case shall contain all of the elements listed below, which are monitored throughout the life of the complaint until its disposition. The allegations contained in the report must be or have:

<b><i>Credible</i></b>	In the opinion of the internal audit staff, the complaint is worthy of belief. The complaint appears to have been filed in good faith, with no malicious intent.
<b><i>Fraud Related</i></b>	Alleges waste, fraud, abuse
<b><i>Non-Fraud Related</i></b>	Complaints pertaining to employee relations, discrimination, harassment, and personnel related complaints.
<b><i>Sufficient Information</i></b>	Provides information as set forth in Sec. II of these procedures.

### **Filing of Malicious Complaints**

The Auditor-Controller's Office will not tolerate malicious complaints. The processing of a complaint/concern requires staff time and attention regardless of its appropriateness. Mistaken complaints/concerns are not considered malicious. Complaints/concerns made frivolously, in bad faith or without factual basis may constitute defamation and may be legally actionable in the courts by a respondent. Malicious complaints made in bad faith may result in disciplinary action in accordance with applicable County policies and procedures, up to and including dismissal. Lodging a malicious complaint/concern is, in itself, a category of unethical behavior.

## IX. Sample Transmittal Memos

**Introduction** The following is intended only as a sample of the forms which may be used as transmittal memos with respect to cases processed through the Fraud Hotline. Forms are subject to change at any time. A copy of the complaint is attached to the initial transmittal letter to the Department Heads, along with resolution forms.

### 1. Sample Memo when a complaint is Assigned to Department Head:

**Stamp CONFIDENTIAL** across top.

Date: January 2, 20XX  
To: Department Head  
  
From: James P. Erb, Auditor-Controller  
  
Subject: Fraud Hotline Report <#>

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Attached is a copy of a confidential complaint that was filed with the Fraud Hotline. This office received the report on <date> regarding an issue or concern in your department. Since the report is specifically related to matters under your direction, you are best able to address the issue(s) or concern(s) reported.

Please ensure all existing policies and procedures are properly followed while reviewing or investigating this claim. Please take all appropriate measures to maintain the confidentiality of this report and your investigation.

In order to help sustain the integrity and success of the hotline, send the attached forms completed and signed to Chief Internal Auditor, Auditor-Controller's Office within 10 business days of receiving this memo.

If you have any additional questions regarding the incident report, or this process, contact <NAME> at <PHONE NUMBER>. We want to ensure that all issues or concerns are addressed in a timely manner.

**2. Sample Memo when complaint is provided to Department Director *for informational purposes only*:**

Stamp CONFIDENTIAL across top

Date: January 2, 20XX  
To: Department Head  
From: James P. Erb, Auditor-Controller  
Subject: Fraud Hotline Report

---

Attached is a copy of a confidential complaint that was filed with the Fraud Hotline. This office received the report on <date> regarding a complaint/issue or concern in your department. The Fraud Hotline has established a process for screening the complaints/concerns and it has been determined that this complaint/concern does not require further action be taken from the Fraud Hotline; however, we are providing this report to you for informational purposes.

You do not need to provide a response regarding this report. However, if you feel that an investigation is necessary, ensure all existing policies and procedures are properly followed while reviewing or investigating this claim and contact us to discuss any action you plan to take, so we can update our records as needed.

If you have any questions regarding this report or this process you can contact <NAME> at <PHONE NUMBER>.

Please take all appropriate measures to maintain the confidentiality of this report and your investigation.

Thank you.

**3. Sample reminder to referred party that a response is due to the A-C and the deadline is approaching:**

Date: January 12, 20XX  
To: Department Head  
From: James P. Erb, Auditor-Controller  
Subject: Fraud Hotline Response Deadline Reminder

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You are receiving this memo as a reminder that your response(s) to the confidential hotline complaint(s) is(are) due by <date>. You have been asked to respond within 10 business days of receiving the memo dated <date>, and to date this office has not yet received your response. If you need details regarding the report(s) previously provided, please contact <NAME> at <PHONE NUMBER> or <email>.

If you need more time to resolve the complaint, send an email to "to be determined" explaining your course of action and why additional time is necessary to resolve the complaint properly.

Otherwise, the resolution form(s) should be completed, signed and sent to Chief Internal Auditor, Auditor-Controller's Office, within five days of receiving this memo. If you feel you have received this memo in error, contact <NAME> to confirm your response has been received by the internal audit division.

Your attention to this matter is greatly appreciated.



**4. Sample memo to referred parties when a response is past due:**

Date: February 10, 20XX  
To: Department Head  
From: James P. Erb, Auditor-Controller  
Subject: Fraud Hotline Report Responses Outstanding

---

Within the last month, this office has forwarded one or more Hotline complaint(s) asking you to repond. To date this office has not received your reply. If you need details regarding the reports previously provided, contact <NAME> at <PHONE NUMBER> or <email>.

If you need more time to resolve the complaint please contact <NAME> or send an e-mail to “to be determined” explaining your course of action and why additional time is necessary to resolve the complaint properly.

Otherwise, the outstanding resolution form(s) should be completed, signed and sent to Chief Internal Auditor, Auditor-Controller’s Office within five days of receiving this memo, unless other arrangement have been made. If you feel you have received this memo in error, contact <NAME> to confirm your response was previously submitted.

Your attention to this matter is greatly appreciated.

**5. Sample memo to department directors or appropriate referred party when FRAUD HOTLINE closes the complaint:**

**Stamp CONFIDENTIAL**

Date: January 2, 20XX  
To: Department Head  
From: James P. Erb, Auditor-Controller  
Subject: Fraud Hotline Report <#>

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On <date>, the internal audit division received your response to the Fraud Hotline complaint <#>. We have reviewed the response and deem the response is satisfactory, therefore, the case will be closed and no further action will be taken regarding this matter.

If you have any questions regarding this report or the process, contact <NAME> at <PHONE NUMBER>.

We appreciate your contributions to improving the County's ethical climate and to making the hotline a success.

6. Sample plan provided to Auditor-Controller from department director or appropriate party reporting resolution of complaint :

County of San Luis Obispo  
Auditor-Controller  
Fraud Hotline Resolution

Stamp CONFIDENTIAL

Report #	Plan Date:
Describe your <i>immediate</i> plan to address the issue/concern:	
Describe your plan to <i>prevent</i> the issue/concern from happening again:	
Signature and Title:	
Date:	

**County of San Luis Obispo**  
***Auditor-Controller***  
**Fraud Hotline Resolution**

Report #	Resolution Date:
Describe how you resolved the issue/concern below:	
Signature and Title:	
Date:	